

~~SECRET~~

Reports
Pacis letter
1 Aug 49
filed in
file.
m.c.

CIA MANAGEMENT IMPROVEMENT ACTIVITIES
FISCAL YEARS 1950 AND 1951

- I. References:
- Memorandum from the President to Heads of Agencies dated 1 August 1949.
 - Memorandum from the Director of the Bureau of the Budget to Heads of Agencies, in connection with Reference "a" dated 1 August 1949.
 - Bulletin No. 50-2, Bureau of the Budget, dated 1 August 1949.
 - Section 87, Budget Bureau Circular No. A-11.

II. Organization in CIA for Management Improvement Activities.

1. The "top official" designated in accordance with References "a" and "b" to supervise the management improvement program in CIA is the Agency Executive.

3. A small, permanent management staff comprised of fifteen (15) employees is engaged in constant studies and surveys within the Agency to determine and recommend possible improvements and economies. This staff saves many times its cost each year. Better means for less cost is its primary objective.

2. A Coordination, Operations and Policy Staff has been established to supervise interdepartmental relationships and substantive intelligence programs to the end that:

a. Intelligence services of common concern shall be continually more centralized.

b. Overlaps and duplications in the collection, production and dissemination of intelligence and intelligence information shall be reduced or eliminated.

c. The effectiveness of the collection effort and the substance of production shall be continually improved.

~~SECRET~~

~~SECRET~~

4. Office and Staff Chiefs receive indoctrination in the principles of, and the necessity and personal responsibility for, strong executive action toward management improvement activities within their specific activities, both administratively and substantive program-wise.

5. Budget controls are exercised with strong, central supervision to insure flexibility of operations without waste, and to the utmost possible extent without non-productive obligation.

III. Special Problems.

1. A primary problem not easily susceptible to Agency management improvement activity is the interdepartmental coordinating responsibility of CIA. This responsibility may be exercised only in accordance with directives of the National Security Council, and in actual practice more or less under circumstances requiring prior concurrence of members of the Intelligence Advisory Committee. The responsibility for coordination has not carried with it the authority for directing action.

2. Another problem is the covert intelligence and operations responsibility which, by its very nature, *does not lend itself to* ~~is anti~~ ~~the~~ normal management control concepts.

3. A further complicating factor is the *impracticability* ~~impossibility~~ of applying any mechanical work standard to the production of intelligence estimates and the substantive programs supporting such production.

IV.

1. Management improvement schedule for substantive matters for the current and budget year:

a. Reorganization of covert activities in accordance with

instructions from the National Security Council

~~SECRET~~

~~CONFIDENTIAL~~

SECRET

b. Development of an integrated intelligence production program, interdepartmental in scope, including:

~~(1) Better definition of the term "National Intelligence."~~

(2) Establishment of priorities in areas and subjects.

more adequate
(3) Allocation of responsibilities between CIA and IAC

agencies to prevent unnecessary duplication in either research or production.

(4) Determination of deficiencies or gaps in available intelligence information and the preparation of adequate requirements ~~as collection guides~~ *correct* to ~~meet~~ such deficiencies.

(5) Improvement of and increase in guidance for collection effort to avoid non-productive or misdirected efforts inherent generally in purely opportunistic collection action.

c. Further improvement of collection action by:

(1) Determining any continuing unnecessary duplication of collection responsibilities in the field, *taking steps to* and ~~eliminating~~ those found.

(2) Strengthening liaison control procedures.

Readjusting
(3) ~~Broadening~~ the scope of collection facilities ~~to meet~~ *to provide* ~~better and increased~~ *more effectiveness in meeting* collection requirements.

(4) Further increasing the speed of collection to meet production priorities.

(5) Improving coordination of field effort, particularly in overt foreign posts.

CONFIDENTIAL**SECRET**

~~SECRET~~

(6) Further development of machine methods and techniques for recording, reproduction and dissemination of ~~intelligence~~ ^{unevaluation} information and intelligence.

(7) Development of improved methods for assessing the value and effectiveness of collection facilities.

d. Constant re-evaluation of dissemination action:

(1) To insure that all who need to know, and only those, receive ~~intelligence~~ ^{unvaluated} information and intelligence.

(2) To determine the feasibility and capability of ~~more~~ ^{increasing the} ~~highly centralized dissemination responsibility~~ ^{scope and effectiveness of}

(3) Increase the speed of dissemination.

e. Continuing study of possibilities for increasing centralized intelligence services in CIA, and elimination of similar functions in the IAC agencies.

2. Management improvement schedule in overall support of substantive matters for the current and budget year:

a. Continuing survey of reproduction needs and facilities to:

(1) Establish priorities.

(2) Determine and establish better and more economical means and methods, including supply, techniques and machines.

(3) Eliminate unnecessary projects and multiple duplication in several agencies of the same material.

(4) Reduce numbers of copies to a minimum to meet actual current needs.

b. Research into and implementation of improvements in Budget development, review, presentation and controls.

~~SECRET~~

~~SECRET~~

c. Development and implementation of improved machine methods for handling records and reporting in connection with:

- (1) Personnel matters.
- (2) Supply accounts.
- (3) Payrolls.

d. Program for the maximum possible standardization of equipment and other supply items.

e. Continuing the forms control program.

f. Identification and reduction of backlogs in both substantive and support activities.

g. Improvement of the records management program.

h. Development and implementation of a career management program for CIA personnel.

i. Continuing survey of the distribution system to increase the speed of delivery of both administrative and intelligence material and reduce delays incident to improper routing.

j. Continuing survey of organization, functions, personnel requirements, methods and procedures to increase efficiency and effect possible economies.

V.

1. In a new agency of this nature, the functions of which are based on interdepartmental relationships and mutual support programs, with changing missions and responsibilities, and with the peculiar and unique function of covert activities abroad, it is not yet practicable to schedule management improvement activities on a set time schedule basis.

~~SECRET~~

~~CONFIDENTIAL~~

SECRET

2. Each of the problems listed in Section IV above requires current and continuing attention in our present situation. Most of the problems are dependent to some extent on a factor or factors which we cannot directly control, and are subject to delays and interdepartmental discussions and agreements which will take varying periods to complete. Even the apparently purely administrative problems are affected by this situation.

3. ^{7b.} The Management Staff, in carrying out its broad responsibilities for developing and recommending the organizational structure, assignment of functions, and personnel staffing of the Agency, with the attendant problems of administrative procedures and support, is engaged in daily constant surveys of some portion or portions of the Agency. Problems involving lack of adequate policy guidance or program determinations are detected at their source in these surveys and placed in proper channels for solution.

^{a.} The Coordination, Operations and Policy Staff, in carrying out its responsibilities for interdepartmental coordination in conjunction with the IAC agencies, ~~the Joint Chiefs of Staff~~ and the National Security Council, ^{must remain abreast} ~~is constantly cognizant~~ of difficulties and problems arising in this field, and is charged with ^{recommending} responsibility for [^]CIA action to solve such problems in the most efficient and economical manner possible to obtain. Policy and program inadequacies detected in Management Staff surveys are also referred to the Coordination, Operations and Policy Staff for action and proper resolution.

SECRET

~~SECRET~~

c. The two staffs mentioned above, together with the Agency Budget Officer, will be coordinated closely by the Executive in the overall management improvement program to assist the Director in carrying out the desires of the Bureau of the Budget and the President.

~~SECRET~~